telenor group

Q1/ 2013

Interim report
January–March 2013

Contents

Improved margins with stable revenues

Highlights first quarter 2013
- Stable organic revenues [1)]
- EBITDA margin of 34%
- Operating cash flow of NOK 5.6 billion [2)]
- Earnings per share of NOK 2.34

Jon Fredrik Baksaas
President & CEO

"The first quarter of 2013 is characterised by a solid operating cash flow of NOK 5.6 billion, strong margins in several operations and good progress in operational performance in India. The strengthened EBITDA margin of 34% is further supported by a higher share of bundled subscriptions and good network quality in the Norwegian operation.

The organic revenue growth for the Group this quarter is weaker than previous quarters due to lower growth contribution from India and handset sales as well as regulatory factors. However, we regard the underlying trends as positive. We see healthy mobile service revenue growth in our operations in Norway and Thailand contributing to solid margins, as well as strong customer acquisition in Bangladesh. Regulatory issues impacted our performance in Pakistan this quarter, however we now see sales picking up. During this quarter, dtac completed a nationwide network upgrade and is preparing for the launch of 3G services on the 2.1 GHz frequency band in the second quarter. This will represent an important milestone in the transition from a concession to a licencing regime.

In Norway, we continue to invest to secure our customers' access to superior mobile network coverage and high quality of services. We have recently adjusted our mobile market offers to adapt to changing customer needs and the transition to data. We see positive effects from operational efficiency this quarter, and regard this as a key contributor to value creation going forward.

To enable our customers to take advantage of the opportunities that the Internet offers, we need to be responsive to change. The growth in demand for data centric services requires significant investments in high-speed networks. It is therefore paramount that we continue to implement sustainable business models to secure long-term return on these investments.

Based on the performance in the first quarter and our estimates for the rest of the year, we adjust the 2013 outlook for organic revenue growth somewhat to 2-4%. At the same time, we maintain the outlook for EBITDA margin and capex/sales."

Key figures Telenor Group

	First quarter		Year
(NOK in millions except earnings per share)	2013	2012 Restated	2012 Restated
Revenues	24 716	25 119	101 718
EBITDA before other income and expenses	8 423	7 761	32 848
EBITDA before other income and expenses/Revenues (%)	34.1	30.9	32.3
Adjusted operating profit [3)]	4 985	4 025	18 446
Adjusted operating profit/Revenues (%)	20.2	16.0	18.1
Profit after taxes and non-controlling interests	3 602	584	8 809
Earnings per share from total operations, basic, in NOK	2.34	0.37	5.63
Capex	2 868	2 682	21 511
Capex excl. licences and spectrum	2 868	2 487	12 299
Capex excl. licences and spectrum/Revenues (%)	11.6	9.9	12.1
Operating cash flow [2)]	5 555	5 274	20 549
Net interest-bearing liabilities [4)]	28 853	18 384	33 082

Please refer to page 10 for the full outlook for 2013, and page 20 for definitions.

1) Organic revenue is defined as revenue adjusted for the effects of acquisition and disposal of operations and currency effects.

2) Operating cash flow is defined as EBITDA before other income and expenses – Capex, excluding licences and spectrum.

3) Adjusted operating profit is defined as Operating profit less other income and expenses and impairment losses.

4) Net interest-bearing liabilities are defined as interest-bearing debt excluding net present value of licence liabilities.

Interim report

Telenor's operations

The statements below are related to Telenor's development in the first quarter of 2013 compared to the first quarter of 2012, unless otherwise stated. All comments on EBITDA are made on development in EBITDA before other income and expenses (other items). Please refer to page 8 for 'Specification of other income and expenses'. Additional information is available at: www.telenor.com/ir

Norway

	First quarter		Year
(NOK in millions)	2013	2012 Restated	2012 Restated
Revenues mobile operation			
Subscription and traffic	2 510	2 418	10 247
Interconnect revenues	188	271	992
Other mobile revenues	314	331	1 353
Non-mobile revenues	232	238	1 048
Total revenues mobile operation	**3 244**	**3 258**	**13 639**
Revenues fixed operation			
Telephony	732	802	3 096
Internet and TV	1 232	1 177	4 858
Data services	121	126	501
Other fixed revenues	343	351	1 384
Total retail revenues	**2 428**	**2 456**	**9 838**
Wholesale revenues	492	507	2 027
Total revenues fixed operation	**2 920**	**2 964**	**11 865**
Total revenues	**6 164**	**6 222**	**25 504**
EBITDA before other items	2 719	2 455	10 854
Operating profit	**1 919**	**1 735**	**7 845**
EBITDA before other items/Total revenues (%)	44.1	39.5	42.6
Capex	988	975	4 144
Investments in businesses	20	-	173
Mobile ARPU - monthly (NOK)	284	285	296
Fixed Telephony ARPU	270	266	267
Fixed Internet ARPU	320	306	319
TV ARPU	247	241	249
No. of subscriptions - Change in quarter/Total (in thousands):			
Mobile	(5)	6	3 175
Fixed telephony	(31)	(24)	917
Fixed Internet	(3)	1	870
TV	3	4	524

- The number of mobile subscriptions decreased by 5,000 during this quarter. Increased number of contract subscriptions was more than offset by reduction in prepaid subscription and migration from pure mobile broadband contracts to bundled price plans. At the end of the quarter, the mobile subscription base was 1% higher compared to the first quarter last year.
- Reported mobile ARPU was stable. Increased data revenues from migration to bundled price plans were offset by reduced interconnect rates. The interconnect rate cuts from July 2012 and January 2013 affects ARPU negatively with NOK 9.
- Reported mobile revenues were stable. Adjusted for a one-time item (correction of prepaid scratch cards) and the effects of Easter and leap day, mobile subscription and traffic revenues increased by 6%.
- Fixed revenues decreased by 1%. The effects from reduced number of telephony subscriptions and reduction in wholesale revenues were partly offset by increased revenues from Internet and TV. During the quarter Telenor added 4,000 fibre customers bringing the total customer base on fibre to 60,000.
- The EBITDA margin increased by 5 percentage points mainly due to lower operation and maintenance costs as storms caused high fault correction cost in the first quarter last year. In addition, a higher share of sales through customer service and the web portal reduced commission costs.
- Telenor Norway continues to invest heavily to increase coverage and capacity on 3G and 4G networks and expand its fibre to the home footprint. During the quarter Telenor expanded 4G network coverage including roll-out on the 1800 MHz frequency band in several cities.

Sweden

(NOK in millions)	First quarter 2013	First quarter 2012 Restated	Year 2012 Restated
Revenues mobile operation			
Subscription and traffic	1 278	1 277	5 152
Interconnect revenues	140	172	641
Other mobile revenues	67	82	311
Non-mobile revenues	418	394	1 995
Total revenues mobile operation	**1 903**	**1 924**	**8 099**
Revenues fixed operation	**635**	**621**	**2 508**
Total revenues	**2 539**	**2 545**	**10 607**
EBITDA before other items	705	629	2 698
Operating profit (loss)	**381**	**343**	**1 403**
EBITDA before other items/Total revenues (%)	27.8	24.7	25.4
Capex	283	243	1 173
Investments in businesses	4	-	326
Mobile ARPU - monthly (NOK)	198	216	210
No. of subscriptions - Change in quarter/Total (in thousands):			
Mobile	(1)	33	2 385
Fixed telephony	(13)	(5)	333
Fixed Internet	(3)	(4)	545
TV	6	5	284
Exchange rate	0.8741	0.8570	0.8593

- The number of mobile subscriptions remained stable throughout the quarter. At the end of the quarter, the subscription base was 6% higher than at the end of the first quarter last year.
- Mobile ARPU in local currency decreased by 10% driven mainly by a larger proportion of discounted offers. Excluding the effect from tariff discount introduced in the fourth quarter 2011, ARPU decreased by 4%. The remaining part of the ARPU decline was mainly explained by reduced interconnect rates and roaming charges.
- Mobile revenues in local currency decreased by 3% mainly due to lower ARPU and reduced visitor roaming, partly offset by increased customer base.
- Fixed revenues in local currency were stable. The effect from increased number of internet and TV subscriptions was offset by reduced ARPU together with fewer telephony subscriptions. Excluding the effect from acquisitions in 2012, fixed revenues decreased by 8%, of which slightly more than half was due to fewer telephony revenues.
- Total revenues in local currency decreased by 2%. Excluding the positive effect from acquisitions, total revenues decreased by 4%.
- The EBITDA margin in local currency increased by 3 percentage points due to improved handset net and reduced personnel costs.
- Capital expenditures increased mainly due to the 4G rollout through the infrastructure joint venture with Tele2, as well as upgrade of stores.

Denmark

(NOK in millions)	First quarter 2013	First quarter 2012	Year 2012
Revenues mobile operation			
Subscription and traffic	694	745	2 943
Interconnect revenues	70	188	630
Other mobile revenues	25	53	191
Non-mobile revenues	219	285	1 115
Total revenues mobile operation	**1 008**	**1 270**	**4 879**
Revenues fixed operation	**184**	**231**	**850**
Total revenues	**1 192**	**1 501**	**5 729**
EBITDA before other items	254	296	1 158
Operating profit	**8**	**57**	**(3 594)**
EBITDA before other items/Total revenues (%)	21.3	19.7	20.2
Capex	115	136	575
Investments in businesses	-	-	5
Mobile ARPU - monthly (NOK)	130	158	148
No. of subscriptions - Change in quarter/Total (in thousands):			
Mobile	(88)	(21)	2 015
Fixed telephony	(7)	(9)	138
Fixed Internet	(4)	(14)	184
Exchange rate	0.9958	1.0204	1.0041

- The number of mobile subscriptions decreased by 88,000 during the first quarter, of which 37,000 due to a clean-up of inactive contract subscriptions. The prepaid subscription base decreased by 43,000 as a consequence of low campaign activity and aggressive price offers from competitors. Compared to the same quarter last year, the subscription base declined by 3%.
- Mobile ARPU in local currency decreased by 15% mainly as a consequence of a 65% reduction in the mobile interconnect rate from 1 January 2013.
- Mobile revenues decreased by 19% as a consequence of lower subscriber base and lower ARPU together with reduced handset sales.
- Total revenues declined by 19% of which lower fixed revenues constitute 3 percentage points of the reduction.
- EBITDA decreased by DKK 35 million as a result of lower gross profits caused by lower revenues as explained above, partly offset by a more efficient operation.
- Capital expenditure was lower primarily due to savings related to the infrastructure joint venture with Telia. The majority of capital expenditure was related to the 4G migration in the joint venture.

Hungary

	First quarter		Year
(NOK in millions)	2013	2012	2012
Revenues			
Subscription and traffic	741	746	3 140
Interconnect revenues	114	153	606
Other mobile revenues	17	20	86
Non-mobile revenues	57	46	259
Total revenues	**930**	**964**	**4 090**
EBITDA before other items	355	351	1 317
Operating profit	**255**	**238**	**926**
EBITDA before other items/Total revenues (%)	38.2	36.4	32.2
Capex	62	262	497
No. of subscriptions - Change in quarter/ Total (in thousands):	(69)	(60)	3 322
ARPU - monthly (NOK)	87	90	95
Exchange rate	0.0251	0.0256	0.0259

- The number of subscriptions decreased by 69,000 during the quarter, mainly due to prepaid churn from the Christmas campaigns. At the end of the quarter, the subscription base was 2% lower than at the end of first quarter 2012.
- ARPU in local currency decreased by 1% as the effect of reduced interconnect rate from 1 January 2013 was only partly offset by price increases.
- Revenues in local currency decreased by 2% mainly due to reduced ARPU and a lower subscription base, partly offset by higher handset revenues.
- The EBITDA margin increased by 2 percentage points mainly due to lower sales and marketing expenses and reduced interconnect costs compensating for increased handset costs and telecommunication tax.
- The new consumption based telecommunication tax introduced in July 2012 is higher than the crisis telecommunication tax which was in effect first quarter last year. In this quarter, NOK 70 million was recognised for the telecommunication tax introduced in July 2012.
- The decrease in capital expenditure was mainly due to NOK 186 million paid for the 1.8 MHz awarded in the GSM frequency auction in January 2012.

Serbia

	First quarter		Year
(NOK in millions)	2013	2012	2012
Revenues			
Subscription and traffic	463	453	1 879
Interconnect revenues	142	141	580
Other mobile revenues	21	28	121
Non-mobile revenues	43	35	155
Total revenues	**669**	**656**	**2 735**
EBITDA before other items	268	257	1 080
Operating profit	**193**	**169**	**733**
EBITDA before other items/Total revenues (%)	40.0	39.1	39.5
Capex	46	46	221
No. of subscriptions - Change in quarter/ Total (in thousands):	7	(27)	3 207
ARPU - monthly (NOK)	63	63	65
Exchange rate	0.0665	0.0702	0.0661

- The total number of subscribers increased by 7,000 during the quarter driven by strong uptake of 21,000 contract subscriptions from successful Christmas and youth campaigns, partly offset by a reduction of 14,000 prepaid subscriptions. The subscription base was 3% higher than at the end of the first quarter last year.
- ARPU in local currency increased by 5%, mainly driven by the continued migration from prepaid to contract subscriptions.
- Revenues in local currency increased by 8% from ARPU growth and a larger subscription base.
- The EBITDA margin increased by 1 percentage point compared to last year due to higher revenues and improved margin on outbound roaming and interconnect partly offset by higher handset costs.
- Capital expenditure was slightly higher compared to last year reflecting investments in network coverage and capacity in addition to IT modernisation.

Montenegro

	First quarter		Year
(NOK in millions)	2013	2012	2012
Revenues	106	120	584
EBITDA before other items	38	43	245
Operating profit	**30**	**29**	**203**
EBITDA before other items/Total revenues (%)	36.2	35.8	42.0
Capex	4	18	46
No. of subscriptions - Change in quarter/ Total (in thousands):	(28)	(60)	400
Exchange rate	7.4277	7.5868	7.4744

- The number of subscriptions decreased by 28,000 in the quarter mainly due to churn in of prepaid subscribers. At the end of the quarter, the subscription base was 7% lower than at the end of first quarter last year mainly explained by reduced SIM penetration in the Montenegrin market.
- From 1 January 2013, the interconnect rates were reduced by 43%.
- ARPU in local currency decreased by 4% as reduced domestic interconnect rates and the challenging macroeconomic environment were only partly offset by churn of low-ARPU customers.
- Revenues in local currency decreased by 10% as a result of the lower subscription base and reduced domestic interconnect rates.
- The EBITDA margin was stable as the revenue decline was offset by reduced interconnection costs, lower handset subsidies and decreased operational expenditure.

dtac - Thailand

	First quarter		Year
(NOK in millions)	2013	2012	2012
Revenues			
Subscription and traffic	3 089	2 785	11 375
Interconnect revenues	798	767	3 036
Other mobile revenues	96	60	306
Non-mobile revenues	535	595	2 059
Total revenues	**4 519**	**4 209**	**16 776**
EBITDA before other items	1 423	1 261	5 016
Operating profit	**855**	**855**	**3 226**
EBITDA before other items/Total revenues (%)	31.5	30.0	29.9
Capex	223	139	4 144
No. of subscriptions - Change in quarter/ Total (in thousands) *):	291	115	26 318
ARPU - monthly (NOK)	49	49	49
Exchange rate	0.1887	0.1867	0.1872

*) Please note that the number of subscriptions and accordingly ARPU have been restated for 2012.

- The number of subscriptions increased by 291,000 during the quarter. At the end of the quarter, the subscription base was 10% higher than at the end of first quarter last year.
- Subscription growth and handset sales were affected by unstable performance of the order management system launched in January 2013. The system was decommissioned in March 2013 and accordingly written off with NOK 94 million.
- ARPU in local currency decreased by 2% as the decline in voice revenues was partly offset by growth in data revenues.
- Total revenues in local currency increased by 6% driven by a larger subscription base partly offset by lower handset sales. Service revenue growth was 8% in the quarter.
- The EBITDA margin increased by 2 percentage points, primarily due to increased gross margin resulting from higher service revenues partly offset by lower margin from handset sales.
- Capital expenditure was mainly related to expansion of network capacity and 3G coverage on the 850 MHz frequency band. The nationwide network modernisation programme was completed in February.
- dtac is planning launch of 3G services on the 2.1 GHz frequency band in the second quarter this year. This will mark an important milestone in the transition from a concession to a licencing regime.

DiGi – Malaysia

	First quarter		Year
(NOK in millions)	2013	2012	2012
Revenues			
Subscription and traffic	2 485	2 530	10 196
Interconnect revenues	182	203	807
Other mobile revenues	28	26	102
Non-mobile revenues	310	209	882
Total revenues	**3 005**	**2 968**	**11 986**
EBITDA before other items	1 302	1 391	5 499
Operating profit	**774**	**765**	**2 991**
EBITDA before other items/Total revenues (%)	43.3	46.9	45.9
Capex	349	222	1 319
No. of subscriptions - Change in quarter/ Total (in thousands):	(121)	16	10 494
ARPU - monthly (NOK)	85	92	90
Exchange rate	1.8246	1.8911	1.8843

- The number of subscriptions decreased by 121,000 during the quarter mainly due to decline in the prepaid segment. At the end of the quarter, the subscription base was 4% higher than at the end of first quarter last year.
- ARPU in local currency decreased by 4% as a result of continuous price pressure on both domestic and international voice traffic, partly offset by increased data usage.
- Total revenues in local currency increased by 5% mainly due to higher handset sales.
- The EBITDA margin decreased by 4 percentage points as a result of increased sales of device bundles and intensified competition on international voice traffic partly offset by improved opex efficiency.
- Operating profit continued to be impacted by accelerated depreciations of NOK 160 million related to the on-going modernisation of networks and IT systems. Accelerated depreciations in the first quarter of 2012 amounted to NOK 265 million.
- Capital expenditure was mainly related to the network modernisation, 3G upgrades, deployment of fibre and IS/IT-related investments. The network modernisation is expected to be completed in the second half of 2013.

Grameenphone – Bangladesh

	First quarter		Year
(NOK in millions)	2013	2012	2012
Revenues			
Subscription and traffic	1 419	1 422	5 690
Interconnect revenues	168	162	652
Other mobile revenues	9	11	37
Non-mobile revenues	77	32	162
Total revenues	**1 672**	**1 627**	**6 541**
EBITDA before other items	795	898	3 483
Operating profit	**532**	**612**	**2 396**
EBITDA before other items/Total revenues (%)	47.5	55.2	53.3
Capex	86	260	3 021
No. of subscriptions - Change in quarter/ Total (in thousands):	1 771	1 141	40 021
ARPU - monthly (NOK)	13	14	14
Exchange rate	0.0711	0.0700	0.0711

- The number of subscriptions increased by 1.8 million during the quarter, following an increase in gross additions and reduced churn. At the end of the quarter, the subscription base was 11% higher than at the end of first quarter last year.
- ARPU in local currency decreased by 10% due to regulatory directives on 10 second pulse billing and removal of call set-up charges, in addition to the continuous dilution effect from growth in lower revenue generating segments.
- Revenues in local currency increased by 1% primarily coming from increase in site sharing and one-time effect from recognition of earlier deferred SIM-replacement revenues, which was almost offset by decline in ARPU. As a result of several campaigns during the quarter, daily service revenues increased by 6% from last quarter.
- The EBITDA margin decreased by 8 percentage points primarily as a result of increased market spending including commissions related to the strong subscription growth. In addition, electricity and fuel price hikes contributed to increase in operational expenditures.
- Stringent prioritisation to primarily support current traffic demand reduced capital expenditure during the quarter.
- The licence guidelines for 3G in Bangladesh were published by the regulator on 14 February 2013 and the auction date has been set for 24 June 2013.

Pakistan

	First quarter		Year
(NOK in millions)	2013	2012	2012
Revenues			
Subscription and traffic	946	1 058	4 176
Interconnect revenues	133	219	845
Other mobile revenues	7	5	35
Non-mobile revenues	200	105	597
Total revenues	**1 286**	**1 387**	**5 654**
EBITDA before other items	496	568	2 233
Operating profit (loss)	**1**	**(25)**	**(243)**
EBITDA before other items/Total revenues (%)	38.6	41.0	39.5
Capex	427	93	749
No. of subscriptions - Change in quarter/ Total (in thousands):	277	1 218	30 564
ARPU - monthly (NOK)	12	15	14
Exchange rate	0.0574	0.0639	0.0624

- The number of subscriptions increased by 277,000 during the quarter. The regulatory restrictions on SIM sale through retail channels, introduced in December 2012, continue to hamper subscriber growth. However, efforts to strengthen alternative sales channel footprint has improved the situation during the quarter. At the end of the first quarter, the subscription base was 5% higher than at the end of first quarter last year.
- ARPU in local currency decreased by 12%, both as a result of government enforced network outages and the effect from establishment of International Clearing House (ICH) resulting in a large reduction of incoming international traffic.
- Total revenues in local currency increased 3%, mainly driven by growth in financial services and site sharing. The price increase of international incoming traffic after implementation of ICH has been almost fully offset by reduced volumes and a noticeable increase in grey traffic.
- The EBITDA margin was reduced by 2 percentage points following a reduction in gross margin due to forced industry contribution to implementation of grey traffic monitoring equipment and increased vendor transition costs for operation and maintenance.
- Operating profit was negatively affected by accelerated depreciations of NOK 235 million related to the on-going network modernisation.
- Capital expenditure increased during the quarter as a result of good progress on the network modernisation and 1,325 sites were swapped during the quarter. It is expected to be completed towards the end of 2013.

India

	First quarter		Year
(NOK in millions)	2013	2012	2012
Revenues	708	1 009	3 716
EBITDA before other items	(185)	(622)	(1 981)
Operating profit (loss)	**(194)**	**(4 684)**	**(6 283)**
Capex	36	142	4 526
No. of subscriptions - Change in quarter/ Total (in thousands) *):	(3 255)	3 170	26 840
ARPU - monthly (NOK)	10	11	10
Exchange rate	0.1038	0.1152	0.1091

*) Please note that the definition for active subscriptions in the Indian operation is more conservative than the Group definition on page 20, due to high churn in the Indian market. Subscriptions are counted as active if there has been activity during the last 30 days.

- During 2012 and first quarter 2013, Telenor India has closed down operation in seven of thirteen telecom circles. This influences comparability of number of subscription and revenue. Closure of the three circles Mumbai, West Bengal and Kolkata affects the total subscription base by 4.6 million in first quarter. The following comments on the development of the six continuing circles.
- Telenor India reached 23.6 million subscribers by the end of the quarter. The operational circles added 1.4 million subscriptions during the quarter, making a positive shift from the negative development experienced in the fourth quarter of 2012.
- The subscription development continues to be affected by implementation of stricter customer identification requirements. This is resulting in lower gross additions, reduced churn and improved quality in the subscription base. The monthly churn rate was 5%, down from 12% in the fourth quarter of 2012.
- The underlying ARPU in local currency was INR 94 up from INR 90 last quarter. The improvement was driven by increased loyalty and a growth in usage.
- Organic revenues in the six active circles increased by 7% compared to first quarter last year. Compared to fourth quarter 2012, organic revenues increased by 3%.
- The EBITDA loss improved to NOK 185 million as a result of closed circles, increased network efficiency and reduced sales and acquisition cost.

Broadcast

	First quarter		Year
(NOK in millions)	2013	2012 Restated	2012 Restated
Revenues			
Canal Digital DTH	1 120	1 101	4 428
Satellite Broadcasting	237	250	980
Norkring	245	237	946
Conax	130	139	569
Other/Eliminations	(122)	(99)	(402)
Total revenues	**1 610**	**1 629**	**6 521**
EBITDA before other items			
Canal Digital DTH	165	162	635
Satellite Broadcasting	160	178	674
Norkring	122	121	494
Conax	42	60	230
Other/Eliminations	(16)	(20)	(55)
Total EBITDA before other items	**472**	**501**	**1 979**
Operating profit			
Canal Digital DTH	152	145	570
Satellite Broadcasting	101	116	424
Norkring	55	57	254
Conax	32	39	180
Other/Eliminations	(17)	(23)	(62)
Total operating profit	**324**	**335**	**1 365**
EBITDA before other items/ Total revenues (%)	29.3	30.8	30.3
Capex	129	62	417
No. of subscriptions - Change in quarter/Total (in thousands):			
DTH TV	(8)	(11)	945

- Total revenues decreased by 1%, mainly caused by Conax, Satellite Broadcasting and sub-licencing of sports events in the first quarter last year. Total EBITDA decreased by 6% and the EBITDA margin declined by 1 percentage point.
- Revenues in Canal Digital DTH increased by 2% as higher average revenue per customer and increased sale of hardware was only partly offset by effects of a lower subscriber base.
- The EBITDA margin in Canal Digital DTH was on level with last year at 15%.
- Revenues decreased by 5% in Satellite Broadcasting due to lower revenues after the phase out of the Thor 2 satellite in January 2013. The reduction in EBITDA was mainly caused by a positive reversal of bad debt provision last year.
- Revenues in Norkring increased by 3% due to digital audio broadcasting (DAB) roll out and installation revenues, partly offset by decrease in revenues in Belgium due to compensation related to termination of an AM transmission contract last year. EBITDA remained stable.
- Revenues and EBITDA in Conax decreased due to more smart card sales in low price markets compared to the first quarter last year.
- Capital expenditure increased primarily due to digital audio broadcasting (DAB) network investments in Norway.

Other units

	First quarter		Year
(NOK in millions)	2013	2012 Restated	2012 Restated
Revenues			
International wholesale	444	450	1 921
Digital Services	183	168	707
Corporate functions	528	548	2 232
Eliminations	(13)	(11)	(45)
Total revenues	**1 142**	**1 154**	**4 815**
EBITDA before other items			
International wholesale	16	22	91
Digital Services	(75)	(54)	(176)
Corporate functions	(159)	(201)	(600)
Eliminations	-	-	1
Total EBITDA before other items	**(217)**	**(234)**	**(685)**
Operating profit (loss)			
International wholesale	12	17	63
Digital Services	(97)	(74)	(239)
Corporate functions	(283)	(301)	(1 033)
Eliminations	-	-	1
Total operating profit (loss)	**(368)**	**(359)**	**(1 209)**
Capex	119	85	656
Investments in businesses	24	2 178	6 997

- Revenues in International wholesale decreased due to lower prices.
- EBITDA in Digital Services decreased mainly due to development of new services, offset by improved results in Connexion.
- EBITDA in Corporate functions improved mainly as a result of lower cost from legal support related to VimpelCom.

Group overview

The statements below are related to Telenor's development in 2013 compared to 2012 unless otherwise stated. Please refer to note 3 for further information.

Revenues

- Revenues decreased by NOK 0.4 billion or 1.6% as a result of appreciation of the Norwegian krone versus most currencies. A weaker Danish market and reduced scale of the Indian operation were partly offset by higher revenues from dtac.

EBITDA before other items

- EBITDA increased by NOK 0.7 billion or 8.5% mainly as a result of improved performance in India, Norway and dtac. In Grameenphone, EBITDA was reduced mainly due to higher energy, sales and marketing costs.

Specification of other income and expenses

	First quarter		Year
(NOK in millions)	2013	2012 Restated	2012 Restated
EBITDA before other income and expenses	8 423	7 761	32 848
EBITDA margin before other income and expenses (%)	34.1	30.9	32.3
Gains (losses) on disposal of fixed assets and operations	(88)	(31)	(161)
Workforce reductions and loss contracts	(180)	(90)	(692)
One-time effects to pension costs	(1)	-	(16)
EBITDA	**8 153**	**7 640**	**31 980**
EBITDA margin (%)	33.0	30.4	31.4

- In the first quarter of 2013, 'Other income and expenses' mainly consisted of the following items:
  - Gains (losses) on disposal of fixed assets were mainly related to scrapping of intangible assets in dtac (NOK 94 million).
  - Workforce reductions and onerous contracts mainly in Telenor Denmark (NOK 66 million) and Telenor Norway (NOK 52 million).

Operating profit

- Operating profit increased by NOK 4.7 billion compared to last year primarily due to impairment of assets in Uninor of NOK 3.9 billion in the first quarter of 2012.
- Adjusted for the impairment related to Uninor in the first quarter of 2012, operating profit increased by NOK 0.8 billion compared to last year primarily due to improved EBITDA as explained above and lower depreciations in most business units.

Associated companies

	First quarter		Year
(NOK in millions)	2013	2012 Restated	2012 Restated
Telenors share of			
Profit after taxes	1 147	618	3 050
Amortisation of Telenor's net excess values	(83)	(22)	(244)
Impairment losses of Telenor's net excess values	(3)	-	(22)
Gains (losses) on disposal of ownership interests	4	-	-
Profit (loss) from associated companies	**1 065**	**596**	**2 784**

- Net result from associated companies in the first quarter of 2013 includes NOK 1,160 million for Telenor's share of VimpelCom's reported results for the fourth quarter of 2012, adjusted for Telenor's share of significant transactions and events which was recognised in the year of 2012.
- The net result from VimpelCom was increased by NOK 958 million compared to the first quarter of 2012 mainly as a result of better operational performance coupled with declining amortisation related to Wind Telecom acquisition's excess values as well as lower foreign currency exchange losses. Telenor's share of VimpelCom's net result for the fourth quarter of 2012 was 35.7% compared to 31.7% for the fourth quarter of 2011.
- On 16 April 2013, VimpelCom converted its 128.5 million convertible preferred shares owned by Altimo into common shares. This does not have an effect on Telenor's voting interest, which is currently 42.95%, whereas Telenor's economic interest is diluted from 35.66% to 33.05% with effect from 16 April 2013, based on current outstanding shares and ownership percentages.

Financial items

(NOK in millions)	First quarter 2013	First quarter 2012 Restated	Year 2012 Restated
Financial income	146	146	605
Financial expenses	(567)	(670)	(2 898)
Net currency gains (losses)	168	45	(156)
Net change in fair value of financial instruments	46	789	687
Net gains (losses and impairment) of financial assets and liabilities	-	-	(7)
Net financial income (expenses)	**(207)**	**309**	**(1 769)**
Gross interest expenses	(464)	(604)	(2 272)
Net interest expenses	(385)	(474)	(1 828)

- Financial expenses decreased mainly due lower proportion of interest-bearing debt in Indian Rupee partly offset by interest expenses related to the deferred licence fee payments in India.
- The net currency gains were primarily related to financial assets and liabilities in other currencies than the Norwegian krone.
- Net change in fair value of financial instruments also includes increased value of the total return swap with VimpelCom Ltd. ADRs as underlying asset. The main driver of the fair value of this instrument is the VimpelCom share price.

Taxes

- The estimated effective tax rate for the first quarter of 2013 was 24.5%, and the effective tax rate for the year of 2013 is estimated to be around 25%.

Investments

(NOK in millions)	First quarter 2013	First quarter 2012	Year 2012
Capex	2 868	2 682	21 511
Capex excl. licences and spectrum	2 868	2 487	12 299
Capex excl. licences and spectrum/Revenues (%)	11.6	9.9	12.1

- Capital expenditure (excl. licences) increased by NOK 0.4 billion as higher network and infrastructure investments in most operations offset reduced investments in India and Grameenphone.

Financial position

- During the first quarter, total assets increased by NOK 3.7 billion to NOK 172 billion primarily due to weakening of the Norwegian Krone against all major currencies.
- Net interest bearing liabilities decreased by NOK 3.8 billion to NOK 34.6 billion mainly due to repayments of debt by Telenor ASA and Telenor Indian operation.
- Total equity increased by NOK 5.5 billion to NOK 81.9 billion due to income from operations of NOK 4.2 billion, currency translation effects of net NOK 2.4 billion due to weaker Norwegian currency partly offset by dividends to non-controlling interests of NOK 0.4 billion and share buyback of NOK 0.5 billion.

Cash flow

- Net cash inflow from operating activities during the first quarter of 2013 was NOK 8.1 billion, an increase of NOK 1.8 billion compared to the first quarter of 2012. EBITDA was NOK 0.5 billion higher during the first quarter of 2013. In addition, dividends from associated company, VimpelCom Ltd. of NOK 2.6 billion were received during the first quarter of 2013. These effects were partially offset by an increase in working capital due to payment of regulatory fees in Malaysia and downscaling of our operation in India. In the first quarter of 2012 we had a positive effect related to lower receivables in Norway.
- Net cash outflow to investing activities during the first quarter of 2013 was NOK 2.7 billion, a decrease of NOK 5.4 billion compared to the first quarter of 2012. The decrease is mainly explained by purchase of VimpelCom Ltd. shares for NOK 2.2 billion and short term interest-bearing placements of NOK 3.1 billion during the first quarter of 2012 compared to the first quarter of 2013.
- Net cash outflow to financing activities during the first quarter of 2013 was NOK 4.6 billion. During the first quarter of 2013 there was a net repayment of interest-bearing liabilities of NOK 3.9 billion, share buyback from Telenor ASA of NOK 0.5 billion and dividends paid to non-controlling interests of NOK 0.2 billion.
- Cash and cash equivalents increased by NOK 1.0 billion during the first quarter of 2013 to NOK 9.8 billion as of 31 March 2013.

Transactions with related parties

For detailed information on related party transactions refer to Note 34 in Telenor's Annual Report 2012.

Outlook for 2013

Based on the current group structure including India and with currency rates as of 31 March 2013 Telenor expects:
- Organic revenue growth in the range of 2-4%.
- EBITDA margin before other income and expenses around 34%.
- Capital expenditure as a proportion of revenues, excluding licences and spectrum, in the range of 12-14%.

Risk and uncertainties

The existing risks and uncertainties described below are expected to remain for the next three months.

A growing share of Telenor's revenues and profits is derived from operations outside Norway. Currency fluctuations may influence the reported figures in Norwegian Kroner to an increasing extent. Political risk, including regulatory conditions, may also influence the results.

For additional explanations regarding risks and uncertainties, please refer to the Report of the Board of Directors for 2012, section Risk Factors and Risk Management, and Telenor's Annual Report 2012 Note 30 Managing Capital and Financial Risk Management and Note 35 Commitments and Contingencies. Readers are also referred to the disclaimer at the end of this section.

New aspects of risks and uncertainties since the publication of Telenor's Annual Report for 2012 are:

Financial aspects

As of 31 March 2013, Telenor ASA had issued bank guarantees totalling NOK 2.6 billion, of which NOK 1.4 billion relates to interest-bearing debt. The remaining NOK 1.2 billion relates to guarantees issued to the Indian Department of Telecom.

Disclaimer

This report contains statements regarding the future in connection with Telenor's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section 'Outlook for 2013' contains forward-looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

Fornebu, 25 April 2013
The Board of Directors of Telenor ASA

Condensed interim financial information

Consolidated income statement

Telenor Group

(NOK in millions except earnings per share)	First quarter 2013	First quarter 2012 Restated	Year 2012 Restated
Revenues	24 716	25 119	101 718
Costs of materials and traffic charges	(6 751)	(7 148)	(29 187)
Salaries and personnel costs	(2 747)	(2 761)	(10 683)
Other operating expenses	(6 795)	(7 450)	(29 000)
Other income and (expenses)	(270)	(121)	(868)
EBITDA	**8 153**	**7 640**	**31 980**
Depreciation and amortisation	(3 438)	(3 736)	(14 402)
Impairment losses	(2)	(3 862)	(7 823)
Operating profit	**4 713**	**42**	**9 755**
Share of net income from associated companies	1 061	595	2 785
Gain on disposal of associated companies	4	-	-
Net financial income (expenses)	(207)	309	(1 769)
Profit before taxes	**5 572**	**947**	**10 770**
Income taxes	(1 363)	(1 335)	(1 743)
Net income (loss)	**4 209**	**(388)**	**9 028**
Net income (loss) attributable to:			
Non-controlling interests	607	(973)	219
Equity holders of Telenor ASA	3 602	584	8 809
Earnings per share in NOK			
Basic	2.34	0.37	5.63
Diluted	2.33	0.37	5.62

The interim financial information has not been subject to audit or review.

Consolidated statement of comprehensive income

Telenor Group

(NOK in millions)	First quarter 2013	First quarter 2012 Restated	Year 2012 Restated
Net income (loss)	**4 209**	**(388)**	**9 028**
Translation differences on net investment in foreign operations	3 157	(1 870)	(4 531)
Income taxes	(44)	392	114
Amount reclassified from equity to profit and loss on disposal	-	-	14
Net gain (loss) on hedge of net investment	(949)	544	1 335
Income taxes	266	(152)	(374)
Net gain (loss) on available-for-sale-investment	-	(4)	13
Amount reclassified from equity to profit and loss on disposal	-	-	5
Share of other comprehensive income (loss) of associated companies	(51)	(1 568)	(1 540)
Items that may be reclassified subsequently to income statement	**2 378**	**(2 658)**	**(4 964)**
Remeasurement of defined benefit pension plans	(23)	-	1 805
Income taxes	5	-	(504)
Items that will not be reclassified to income statement	**(18)**	**-**	**1 301**
Other comprehensive income (loss), net of taxes	**2 360**	**(2 658)**	**(3 663)**
TOTAL COMPREHENSIVE INCOME (LOSS)	**6 568**	**(3 046)**	**5 365**
Total comprehensive income (loss) attributable to:			
Non-controlling interests	861	(1 076)	273
Equity holders of Telenor ASA	5 707	(1 970)	5 092

The interim financial information has not been subject to audit or review.

Consolidated statement of financial position

Telenor Group

(NOK in millions)	31 March 2013	31 March Restated 2012	31 December Restated 2012
Deferred tax assets	4 143	1 606	4 090
Goodwill	18 124	21 879	17 682
Intangible assets	29 985	20 960	28 818
Property, plant and equipment	44 349	44 240	43 596
Associated companies	39 488	34 587	39 433
Other non-current assets	4 188	3 100	4 309
Total non-current assets	**140 276**	**126 372**	**137 928**
Prepaid taxes	267	110	162
Inventories	1 317	1 212	1 198
Trade and other receivables	18 042	16 818	18 209
Other financial current assets	1 875	5 744	1 567
Assets classified as held for sale	-	4	-
Cash and cash equivalents	9 838	12 687	8 805
Total current assets	**31 338**	**36 575**	**29 941**
Total assets	**171 615**	**162 947**	**167 868**
Equity attributable to equity holders of Telenor ASA	78 345	81 603	73 355
Non-controlling interests	3 554	1 168	3 057
Total equity	**81 898**	**82 771**	**76 412**
Non-current interest-bearing liabilities	38 805	26 078	39 826
Non-current non-interest-bearing liabilities	1 267	1 037	1 275
Deferred tax liabilities	1 505	1 999	1 640
Pension obligations	1 479	3 187	1 497
Other provisions	3 228	2 977	3 286
Total non-current liabilities	**46 285**	**35 278**	**47 523**
Current interest-bearing liabilities	8 780	11 898	10 275
Trade and other payables	28 993	27 825	28 034
Current tax payables	3 627	3 273	3 696
Current non-interest-bearing liabilities	967	1 055	651
Provisions and obligations	1 064	847	1 277
Total current liabilities	**43 431**	**44 898**	**43 933**
Total equity and liabilities	**171 615**	**162 947**	**167 868**
Equity ratio including non-controlling interests (%)	47.7	50.8	45.5
Net interest-bearing liabilities	**28 853**	**18 384**	**33 082**

The interim financial information has not been subject to audit or review.

Consolidated statement of cash flows

Telenor Group

	First quarter		Year
(NOK in millions)	2013	2012 Restated	2012 Restated
Profit before taxes from total operations	5 572	947	10 770
Income taxes paid	(1 631)	(1 868)	(6 041)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	42	(758)	(523)
Depreciation, amortisation and impairment losses	3 440	7 598	22 225
Loss (profit) from associated companies	(1 066)	(595)	(2 785)
Dividends received from associated companies	2 594	-	354
Currency (gains) losses not related to operating activities	36	(43)	110
Changes in other operating working capital assets and liabilities	(889)	1 018	(108)
Net cash flow from operating activities	**8 098**	**6 299**	**24 002**
Purchases of property, plant and equipment (PPE) and intangible assets	(2 707)	(3 043)	(16 982)
Purchases of subsidiaries and associated companies, net of cash acquired	(60)	(2 162)	(7 533)
Proceeds of PPE, intangible assets and businesses, net of cash disposed	34	284	575
Proceeds and purchases of other investments	82	(3 132)	932
Net cash flow from investing activities	**(2 651)**	**(8 053)**	**(22 918)**
Proceeds from and repayments of borrowings	(3 883)	4 658	13 239
Proceeds from issuance of shares, incl. from non-controlling interests in subsidiaries	6	-	-
Share buyback by Telenor ASA	(538)	-	(4 022)
Repayment of equity and dividends paid to non-controlling interests in subsidiaries	(185)	(2 848)	(6 015)
Dividends paid to equity holders of Telenor ASA	-	-	(7 925)
Net cash flow from financing activities	**(4 600)**	**1 810**	**(4 723)**
Effects of exchange rate changes on cash and cash equivalents	185	(269)	(456)
Net change in cash and cash equivalents	**1 033**	**(212)**	**(4 095)**
Cash and cash equivalents at the beginning of the period	8 805	12 899	12 899
Cash and cash equivalents at the end of the period [1]	**9 838**	**12 687**	**8 805**

[1] The first quarter of 2013 includes restricted cash of NOK 41 million, while the first quarter of 2012 included restricted cash of NOK 124 million.

The interim financial information has not been subject to audit or review.

Consolidated statement of changes in equity

Telenor Group

(NOK in millions)	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the parent						
Equity as of 31 December 2011 - as previously reported	**9 574**	**4 707**	**75 995**	**(6 284)**	**83 992**	**2 910**	**86 902**
Implementation effect of revised IAS 19 (Note 1)	-	-	(923)	-	(923)	-	(923)
Equity as of 1 January 2012 - restated	**9 574**	**4 707**	**75 072**	**(6 284)**	**83 069**	**2 910**	**85 979**
Net income for the period	-	-	8 809	-	8 809	219	9 028
Other comprehensive income for the period	-	(222)	-	(3 495)	(3 717)	54	(3 663)
Total comprehensive income for the period	**-**	**(222)**	**8 809**	**(3 495)**	**5 092**	**273**	**5 365**
Transactions with non-controlling interests	-	(3 267)	-	-	(3 267)	3 553	286
Equity adjustments in associated companies	-	319	-	-	319	-	319
Dividends	-	-	(7 925)	-	(7 925)	(3 678)	(11 603)
Share buyback	(249)	(3 773)	-	-	(4 022)	-	(4 022)
Sale of shares, share issue, and share options to employees	9	80	-	-	89	-	89
Equity as of 31 December 2012	**9 334**	**(2 155)**	**75 956**	**(9 779)**	**73 355**	**3 057**	**76 412**
Net income for the period	-	-	3 602	-	3 602	607	4 209
Other comprehensive income for the period	-	(69)	-	2 175	2 106	254	2 360
Total comprehensive income for the period	**-**	**(69)**	**3 602**	**2 175**	**5 707**	**861**	**6 568**
Transactions with non-controlling interests	-	(69)	-	-	(69)	76	7
Equity adjustments in associated companies	-	(25)	-	-	(25)	-	(25)
Dividends	-	-	-	-	-	(440)	(440)
Share buyback	(27)	(510)	-	-	(538)	-	(538)
Sale of shares, share issue, and share options to employees	-	(87)	-	-	(87)	-	(87)
Equity as of 31 March 2013	**9 307**	**(2 916)**	**79 557**	**(7 603)**	**78 345**	**3 553**	**81 898**

(NOK in millions)	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the parent						
Equity as of 31 December 2011 - as previously reported	**9 574**	**4 707**	**75 995**	**(6 284)**	**83 992**	**2 910**	**86 902**
Implementation effect of revised IAS 19 (Note 1)	-	-	(923)	-	(923)	-	(923)
Equity as of 1 January 2012 - restated	**9 574**	**4 707**	**75 072**	**(6 284)**	**83 069**	**2 910**	**85 979**
Net income for the period	-	-	584	-	584	(972)	(388)
Other comprehensive income for the period	-	(1 572)	-	(982)	(2 553)	(105)	(2 658)
Total comprehensive income for the period	**-**	**(1 572)**	**584**	**(982)**	**(1 969)**	**(1 076)**	**(3 046)**
Transactions with non-controlling interests	-	156	-	-	156	32	188
Equity adjustments in associated companies	-	326	-	-	326	-	326
Dividends	-	-	-	-	-	(698)	(698)
Sale of shares, share issue, and share options to employees	5	16	-	-	21	-	21
Equity as of 31 March 2012	**9 579**	**3 634**	**75 656**	**(7 266)**	**81 603**	**1 167**	**82 771**

The interim financial information has not been subject to audit or review.

Notes to the consolidated interim financial statements

Note 1 – General accounting principles

Telenor (the Group) consists of Telenor ASA (the Company) and its subsidiaries. Telenor ASA is a limited liability company, incorporated in Norway. The condensed consolidated interim financial statements consist of the Group and the Group's interests in associated companies and joint ventures. As a result of rounding differences, numbers or percentages may not add up to the total.

These interim condensed consolidated financial statements for the three months ending 31 March 2013, have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Report 2012. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2012.

For information about the standards and interpretations effective from 1 January 2013, please refer to Note 1 in the Group's Annual report 2012. The group has early adopted the following new and revised standards and interpretations, with effect from 1 January 2013.

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 (as revised in 2011) Separate Financial Statements
- IAS 28 (as revised in 2011) Investment in Associates and Joint Ventures

The following standards and interpretations adopted with effect from 1 January 2013 have implementation impact on the Group's consolidated interim financial statements:

- IAS 1 Presentation of Financial statements – amended. The amendment to IAS 1 changes the grouping of items presented in Other Comprehensive Income. Items that may be reclassified (or 'recycled') to profit or loss (when specific conditions are met) are presented separately from items that will never be reclassified. The amendment affects presentation of the Consolidated Statement of Comprehensive Income only and has no impact on the Group's financial position or performance.

- IAS 19 (as revised in 2011) Employee Benefits: The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as: to eliminate the corridor approach and recognise all actuarial gains and losses in Other Comprehensive Income as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The changes shall be applied retrospectively and as a consequence, Telenor recognised the impact of these changes as of the date of initial application (1 January 2012) against the opening balance in equity.

  Telenor is of the opinion that the presentation of net interest cost element as financial items gives better information of the Group's financial performance and has decided to present net interest amount as financial items in the consolidated income statement. This change is applied retrospectively and the consolidated income statements for 2012 are restated.

  The implementation effects of the changes in IAS 19 including the reclassification of the net interest amount are:

(NOK in millions)	As of 1 January 2012	As of 31 March 2012	As of 31 December 2012
Consolidated Statement of Financial Position			
Deferred tax assets	318	317	(194)
Associated companies	(99)	(99)	(99)
Pension obligations	1 142	1 139	(671)
Equity	(923)	(921)	378

(NOK in millions)	First quarter 2012	Year 2012
Consolidated Income Statement		
Pension costs	21	93
Financial expenses	(20)	(86)
Income taxes	-	(7)
Net income(loss)	**1**	**-**
Consolidated Statement of Comprehensive Income		
Net income	1	-
Other comprehensive income (loss), net of taxes *)	1	1 301
Total Comprehensive income (loss)	**2**	**1 301**

*) Effect recognised in Other comprehensive income for the year of 2012 due to the change of discount rate used to determine pension obligations as of 31 December 2012. Please refer to Note 27 in the Group's Annual report 2012 for more information about the assumptions used.

- IAS 28 (as revised in 2011) Investment in Associates and Joint Ventures: The changes in IAS 28 scope in joint ventures to be accounted for under equity method and requires that if an investment in an associate becomes an investment in a joint venture or vice versa, the entity shall not remeasure the retained interest. The changes shall be applied retrospectively and as a consequence, the Group's share of fair value gain arising from increase in VimpelCom's stake in Euroset from 49.9% to 50.0% recognised in 2012 (see note 20 in the Group's Annual Report 2012), has been reversed and the consolidated financial statements for 2012 are restated with the following impacts:

(NOK in millions)	2012
Consolidated Statement of Financial Position	
Associated companies	(1 203)
Consolidated Income Statement	
Share of net income from associated companies	(1 258)
Other comprehensive income (loss)	55

Note 2 – Events after the balance sheet date

On 18 April 2013, VimpelCom declared final dividend for the year 2012 of USD 0.35 per share and the extraordinary dividend of USD 0.79 per share in relation to Altimo's conversion of its preferred shares into common shares, corresponding to total dividend of approximately USD 2.0 billion. Telenor is expected to receive a dividend payment of USD 662 million in May 2013.

On 23 April 2013, the Board of Directors of DiGi declared the first interim dividend for 2013 of MYR 0.038 per share which correspond to approximately NOK 0.6 billion total dividend and approximately NOK 0.3 billion for the Telenor ownership share.

On 24 April 2013, the Board of Directors of Total Access Communication Public Company Limited (dtac) declared interim dividend for 2013 of THB 1.12 per share which correspond to approximately NOK 0.5 billion total dividend and approximately NOK 0.3 billion for Telenor ownership share.

Note 3 — Segment table and reconciliation of ebitda before other income and expenses

The operating segments remain unchanged in the first quarter of 2013. Nevertheless there have been some structural changes in the composition of the different segments. ABC Startsiden previously reported as a part of Broadcast is reported under Other units from 1 January 2013. The figures for previous periods are reclassified accordingly.

The operations

First quarter

	Total revenues			of which internal		EBITDA before other income and expenses *)			
(NOK in millions)	2013	2012 Restated	Growth	2013	2012	2013	Margin	2012 Restated	Margin
Norway	6 164	6 222	(0.9%)	89	98	2 719	44.1%	2 455	39.5%
Sweden	2 539	2 545	(0.3%)	31	26	705	27.8%	629	24.7%
Denmark	1 192	1 501	(20.6%)	17	32	254	21.3%	296	19.7%
Hungary	930	964	(3.6%)	4	6	355	38.2%	351	36.4%
Serbia	669	656	2.1%	30	31	268	40.0%	257	39.1%
Montenegro	106	120	(11.7%)	12	8	38	36.2%	43	35.8%
dtac - Thailand	4 519	4 209	7.4%	14	10	1 423	31.5%	1 261	30.0%
DiGi - Malaysia	3 005	2 968	1.3%	1	1	1 302	43.3%	1 391	46.9%
Grameenphone - Bangladesh	1 672	1 627	2.8%	4	1	795	47.5%	898	55.2%
Pakistan	1 286	1 387	(7.3%)	-	5	496	38.6%	568	41.0%
India	708	1 009	(29.8%)	-	1	(185)	nm	(622)	nm
Broadcast	1 610	1 629	(1.1%)	41	40	472	29.3%	501	30.8%
Other units	1 142	1 154	(1.1%)	584	612	(217)	nm	(234)	nm
Eliminations	(827)	(871)	-	(827)	(871)	(3)	-	(34)	-
Group	**24 716**	**25 119**	**(1.6%)**	**-**	**-**	**8 423**	**34.1%**	**7 761**	**30.9%**

*) The segment profit is EBITDA before other income and expenses.

Reconciliation

	First quarter		Year
(NOK in millions)	2013	2012 Restated	2012 Restated
Net income (loss)	**4 209**	**(388)**	**9 028**
Income taxes	(1 363)	(1 335)	(1 743)
Profit before taxes	**5 572**	**947**	**10 770**
Net financial income (expenses)	(207)	309	(1 769)
Profit (loss) from associated companies	1 066	595	2 785
Depreciation and amortisation	(3 438)	(3 736)	(14 402)
Impairment losses	(2)	(3 862)	(7 823)
EBITDA	**8 153**	**7 640**	**31 980**
Gains (losses) on disposal of fixed assets and operations	(88)	(31)	(161)
Workforce reductions and loss contracts	(180)	(90)	(692)
One-time effects to pension costs	(1)	-	(16)
EBITDA before other income and expenses	**8 423**	**7 761**	**32 848**

	EBITDA				Operating profit (loss)			
	2013	Margin	2012 Restated	Margin	2013	Margin	2012 Restated	Margin
	2 672	43.3%	2 413	38.8%	1 919	31.1%	1 735	27.9%
	704	27.7%	628	24.7%	381	15.0%	343	13.5%
	185	15.5%	264	17.6%	8	0.7%	57	3.8%
	344	37.0%	339	35.2%	255	27.4%	238	24.7%
	268	40.0%	257	39.1%	193	28.9%	169	25.8%
	38	35.9%	40	33.4%	30	28.2%	29	24.1%
	1 317	29.2%	1 261	30.0%	855	18.9%	855	20.3%
	1 303	43.4%	1 392	46.9%	774	25.8%	765	25.8%
	795	47.5%	899	55.2%	532	31.8%	612	37.6%
	497	38.7%	563	40.6%	1	0.1%	(25)	nm
	(192)	nm	(621)	nm	(194)	nm	(4 684)	nm
	474	29.4%	481	29.5%	324	20.1%	335	20.6%
	(250)	nm	(242)	nm	(368)	nm	(359)	nm
	(3)	-	(34)	-	2	-	(27)	-
	8 153	**33.0%**	**7 640**	**30.4%**	**4 713**	**19.1%**	**42**	**0.2%**

Definitions

- Organic revenue is defined as revenue adjusted for the effects of acquisition and disposal of operations and currency effects.
- Capital expenditure (capex) is investments in tangible and intangible assets.
- Operating cash flow is defined as EBITDA before other income and expenses less capex, excluding licences and spectrum.
- Investments in businesses comprise acquisitions of shares and participations, including acquisitions of subsidiaries and businesses not organised as separate companies.

Mobile operations

Revenues

Subscription and traffic

- consist of subscription and connection fees, revenues from voice (outgoing traffic) and non-voice traffic, outbound roaming and other mobile service revenues. Subscription and traffic includes only revenues from the company's own subscriptions.

Interconnect

- consist of revenues from incoming traffic related to the company's own subscriptions. Revenues from incoming traffic related to service provider or MVNO subscriptions are not included.

Other mobile

- consist of inbound roaming, national roaming, telemetric and revenues related to service providers and MVNOs (Mobile Virtual Network Operators). Telemetric is defined as machine-to-machine SIM cards (M2M), for example vending machines and meter readings.

Non-mobile

- consist of revenues from customer equipment and businesses that are not directly related to mobile operations.

Mobile revenues from company's own subscriptions

- consist of 'Subscription and traffic' and 'Interconnect' and do not include revenues from inbound roaming, national roaming, service providers, MVNOs, sale of customer equipment and incoming traffic related to service provider subscriptions.

Key Figures

Subscriptions

Contract subscriptions are counted until the subscription is terminated or until there has been no revenues or outgoing/incoming traffic during the last three months. Prepaid subscriptions are counted as active if there has been outgoing or incoming traffic or if the SIM card has been reloaded during the last three months. Service provider and MVNO subscriptions are not included. Data only SIM cards are included, but SIM cards used for telemetric applications and twin/multi SIM cards are excluded. Total subscriptions are voice SIM cards plus data only SIM cards used for mobile broadband.

Mobile broadband subscriptions

Mobile broadband subscriptions include both data only SIM cards and voice subscriptions having a mobile broadband package as a supplementary service. Hence, the sum of voice subscriptions and mobile broadband subscriptions will exceed the total number of subscriptions.

Average traffic minutes per subscription per month (AMPU)

Traffic minutes per subscription per month are calculated based on total outgoing and incoming rated minutes from the company's own subscriptions less data only subscriptions. This includes zero rated minutes and outgoing minutes from own subscriptions while roaming. Outgoing and incoming minutes related to inbound roaming, national roaming, service providers and MVNOs are not included.

Average revenue per subscription per month (ARPU)

ARPU is calculated based on mobile revenues from the company's own subscriptions, divided by the average number of subscriptions for the relevant period.

Fixed operations

Revenues

Telephony

- consist of subscription and connection fees, traffic (fixed to fixed, fixed to mobile, to other countries, value added services, other traffic) for PSTN/ISDN and Voice over Internet Protocol (VoIP).

Internet and TV

- consist of subscription and connection fees for xDSL and fibre, subscription fees and traffic charges for Dial Up Internet in addition to revenues from TV services.

Data services

- consist of Nordic Connect/IP-VPN, Global communication and security.

Other

- consist of leased lines, managed services and other retail products.

Wholesale

- consist of sale to service providers of telephony (PSTN/ISDN), Bitstream, LLUB, national and international interconnect, transit traffic, leased lines and other wholesale products.

Key Figures

Subscriptions

Telephony consist of PSTN, ISDN and VoIP subscriptions.

Internet consists of broadband access over xDSL, fibre and cable TV.

TV consists of TV services over fibre and cable.

Subscriptions are counted until the subscription is terminated.

Average revenue per subscription per month (ARPU)

ARPU is calculated based on revenues from the company's own subscriptions, divided by the average number of subscriptions for the relevant period.

Internet ARPU is calculated based on Internet revenues as defined above except TV service revenues.

TV ARPU is calculated based on revenues from TV services.

Broadcast

Revenues

Canal Digital DTH

- consist of revenues from Nordic DTH subscribers, households in SMATV networks and DTT subscribers in Finland.

Satellite Broadcasting

- consist of revenues from satellite services from the satellite position 1-degree west.

Norkring

- consist of revenues from terrestrial radio and TV transmission in Norway and Belgium.

Conax

- consist of revenues from sale of encryption and conditional access services for TV distribution.

Other

- consist of revenues from Telenor Media Invest.

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